

**NORTH CAROLINA COALITION  
TO END HOMELESSNESS, INC.**

**RALEIGH, NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.**  
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**YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT AUDITORS' REPORT



### PETWAY MILLS & PEARSON, PA

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors  
North Carolina Coalition to End Homelessness, Inc.  
Raleigh, North Carolina

#### **Opinion**

We have audited the accompanying financial statements of North Carolina Coalition to End Homelessness, Inc. (the Corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Carolina Coalition to End Homelessness, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Carolina Coalition to End Homelessness, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Carolina Coalition to End Homelessness, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive

to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of North Carolina Coalition to End Homelessness, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Carolina Coalition to End Homelessness, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal and Non-Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2022, on our consideration of North Carolina Coalition to End Homelessness, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Carolina Coalition to End Homelessness, Inc.'s internal control over financial reporting and compliance.

PETWAY MILLS & PEARSON, PA  
Certified Public Accountants  
Zebulon, North Carolina

August 25, 2022

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

**ASSETS**

**Current assets**

Unrestricted cash and cash equivalents	\$	1,463,834
Restricted cash and cash equivalents		610,345
Unrestricted contributions receivable		497,042
Sales Tax Receivable		275
<b>Total current assets</b>		2,571,496

**TOTAL ASSETS**

**\$ 2,571,496**

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable	\$	264,657
Refundable advances		1,212,155
Accrued vacation		32,140
<b>Total current liabilities</b>		1,508,952

**Total liabilities**

1,508,952

**Net Assets**

Without donor restrictions		
Undesignated		452,199
With donor restrictions		
Purpose restricted		610,345
<b>Total net assets</b>		1,062,544

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 2,571,496**

The accompanying notes are an integral part of the financial statements.

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Contributions	\$ -	\$ 202,251	\$ 202,251
Governmental grant revenue	-	1,895,792	1,895,792
Fee for program	20,000	-	20,000
Other	19,091	-	19,091
Net assets released from restrictions	2,725,489	(2,725,489)	-
<b>Total revenues</b>	<b>2,764,580</b>	<b>(627,446)</b>	<b>2,137,134</b>
<b>Expenses</b>			
Program services	2,071,837	-	2,071,837
Supporting services			
Management and general	690,612	-	690,612
<b>Total expenses</b>	<b>2,762,449</b>	<b>-</b>	<b>2,762,449</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,131</b>	<b>(627,446)</b>	<b>(625,315)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>450,068</b>	<b>1,237,791</b>	<b>1,687,859</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 452,199</b>	<b>\$ 610,345</b>	<b>\$ 1,062,544</b>

The accompanying notes are an integral part of the financial statements.

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	Program Service Expenses	Supporting Services Management and General	Total
Salaries	\$ 669,019	\$ 223,006	\$ 892,025
Fringe benefits	113,191	37,730	150,921
Communications	6,192	2,064	8,256
Office expenses	84,200	28,067	112,267
Supplies	5,864	1,955	7,819
Training/memberships	10,207	3,402	13,609
Travel	1,552	517	2,069
Contract fees	1,110,718	370,241	1,480,959
Equipment and software	21,714	7,238	28,952
Bank charges	852	284	1,136
Legal and professional fees	3,573	1,191	4,764
Payroll processing	2,652	884	3,536
Licenses	152	51	203
Audit	7,313	2,438	9,751
Membership dues	188	63	251
Insurance	3,977	1,326	5,303
Investment Expenses	30,474	10,158	40,632
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 2,071,839</b>	<b>\$ 690,614</b>	<b>\$ 2,762,453</b>

The accompanying notes are an integral part of the financial statements.

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**

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<b>Cash flows from operating activities</b>	
Change in net assets	\$ (625,315)
Changes in assets and liabilities	
Grants and contracts receivable	25,295
Other receivables	(258)
Accounts payable	162,598
Refundable advances	1,099,999
Accrued vacation	(10,757)
<b>Net cash provided by operating activities</b>	<u>651,562</u>
<b>Cash flows from investing activities</b>	-
<b>Cash flows from financing activities</b>	<u>-</u>
<b>Net Change in Cash</b>	651,562
<b>Cash, Beginning of Year</b>	<u>1,422,617</u>
<b>Cash, End of Year</b>	<u><u>\$ 2,074,179</u></u>

<b>Schedule of Cash</b>	
Unrestricted cash	\$ 1,463,834
Restricted cash	610,345
	<u><u>\$ 2,074,179</u></u>

The accompanying notes are an integral part of the financial statements.



NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**Note 1 – Principal activity and significant accounting policies**

North Carolina Coalition to End Homelessness (the Corporation) is a nonprofit corporation, incorporated on May 19, 2000 and located in Raleigh, North Carolina. The mission of the Corporation is to end homelessness by creating alliances, encouraging public dialogue, securing resources, and advocating for systemic change. The Corporation works with communities to address root causes of homelessness by developing and implementing data-driven strategies that are focused on permanent housing and appropriate services.

**Basis of accounting** – The financial statements of the Corporation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

**Cash** – The Corporation maintains bank accounts at Wells Fargo, First Horizon, and PNC. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. The cash balances are maintained at financial institutions with high credit-quality ratings. At December 31, 2021, the Corporation's cash balance for First Horizon exceeded the FDIC limit by \$458,360. At December 31, 2021, the Corporation's cash balance for PNC exceeded the FDIC limit by \$1,115,568. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant loss on cash.

**Receivables and credit policies** – The Corporation has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require the allowance method to be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

**Net assets** – Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net assets with donor restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Corporation reports contributions restricted by donors as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are recorded as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

**Donated services** – Volunteers contribute significant amounts of time to the Corporation's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Corporation records donated professional services at the respective fair values of the services received.

**Advertising** – The Corporation expenses advertising costs as incurred.

NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

**Functional allocation of expenses** – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Tax status** – The Corporation is a non-profit Corporation exempt from Federal and State income taxation under section 501 (c)(3) of the Internal Revenue Code.

FASB ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FAS ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing financial statements to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. As of the date of the independent auditors' report, the Corporation has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

**Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Recognition of Donor Restrictions** – All gifts are considered to be net assets without donor restrictions unless specifically restricted by the donor. Contributions and support that are restricted by the donor are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Note 2 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Unrestricted cash and cash equivalents	\$ 1,463,834
Unrestricted contributions receivable	497,042
Sales tax receivables	<u>275</u>
	<u>\$ 1,961,151</u>

**Note 3 – Contributions Receivable**

At December 31, 2021, the Corporation is due the following amounts:

NC Department of Health and Human Services	\$ 200,103
U.S. Housing and Urban Development	278,939
UNC Injury Prevention Research Center	18,000
Total contributions receivable	<u>\$ 497,042</u>

NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**Note 4 – Leases and Contracts**

The Corporation entered into a lease for office space in May of 2015 until December of 2020. This lease was extended through October 2021. The Corporation moved locations and entered into a new lease for office space in October 2021 until October of 2024. Payments under these contracts totaled \$92,441 for 2021.

The Corporation entered into a lease for information systems technology in July of 2019 until June of 2020. This lease was extended through June 2022. The Corporation is obligated to pay \$58,315 under this contract in 2022. The Corporation paid \$48,190 for this lease in 2021.

A lease agreement was entered for technical resources in October of 2019 until November of 2021. This lease was extended through November of 2022. The Corporation is obligated to pay \$9,994 under this contract in 2022. The Corporation paid \$9,995 in 2021.

The Corporation entered into a contract for counseling services in March of 2021 for services through February of 2022. The Corporation is obligated to pay \$6,000 in 2022 under this contract. The Corporation paid \$18,000 under this contract in 2021.

The Corporation entered into a contract for strategic consulting in April of 2021 for services through February 2022. The Corporation is obligated to pay \$15,250 under this contract in 2022. The Corporation paid \$45,750 under this contract in 2021.

The Corporation entered into a contract for staffing assistance in December of 2021 for services through April 2022. The Corporation is obligated to pay \$2,600 under this contract in 2022. The Corporation paid \$6,500 under this contract in 2021.

The Corporation entered into a contract for technical assistance in December 2020 for services through December 2022. The Corporation is obligated to pay \$186,805 under this contract in 2022. The corporation paid \$177,450 under this contract in 2021.

**Note 5 – Current Vulnerability due to Concentrations**

During 2018 the Corporation received 95% of its grant funds from the following public sources:

North Carolina Department of Health and Human Services	18%
U.S. Department of Housing and Urban Development	74%
	<u>92%</u>

**Note 6 – Contingencies**

The Corporation receives grant funds. Such funds are subject to final approval by the grantor agencies, and deficiencies, if any, are the responsibility of the Corporation. The Corporation has the usual obligations of a contractor for performance in connection with contracts for work performed and to be performed. Management does not anticipate any significant losses in connection with these obligations.

**Note 7 – Risk Management**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the year ended December 31, 2021, the Corporation carried insurance through various commercial carriers to cover all risks of losses. The Corporation has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**Note 8 – Refundable Advances**

The Corporation recorded \$1,212,154 of refundable advances as of December 31, 2021. Refundable advances are funds available to be spent in future years.

**Note 9 – Net Assets Released from Restrictions**

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes of the donor as follows:

	<u>2021</u>
Provision of Housing and Support	<u>\$ 2,725,489</u>
	<u>\$ 2,725,489</u>

**Note 10 – Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2021</u>
Provision of Housing and Support	<u>\$ 610,345</u>
	<u>\$ 610,345</u>

**Note 11 – Subsequent Events**

The Corporation has evaluated subsequent events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors' report. The Corporation has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

**Note 12 – Contingencies**

During the year ended December 31, 2020, the COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings. The extent of the impact of COVID-19 on operations and financial performance will depend on certain developments and cannot be reasonably predicted and estimated at this time. The COVID-19 outbreak is ongoing as of December 31, 2021, and additional impact on operational and financial performance may occur.

Compliance Section



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

PETWAY MILLS & PEARSON, PA

CERTIFIED PUBLIC ACCOUNTANTS

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Memberships:

North Carolina Association of Certified Public Accountants

American Institute of Certified Public Accountants

Board of Directors North Carolina Coalition to End Homelessness, Inc. Raleigh, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of North Carolina Coalition to End Homelessness, Inc. (the Corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Carolina Coalition to End Homelessness, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Carolina Coalition to End Homelessness, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Carolina Coalition to End Homelessness, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Petway Mills & Pearson, PA*

PETWAY MILLS & PEARSON, PA  
Certified Public Accountants  
Zebulon, North Carolina

August 25, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE**

**PETWAY  
MILLS &  
PEARSON, PA**

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors  
North Carolina Coalition to End Homelessness, Inc.  
Raleigh, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited North Carolina Coalition to End Homelessness, Inc.'s (the Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of North Carolina Coalition to End Homelessness, Inc.'s major federal programs for the year ended December 31, 2021. North Carolina Coalition to End Homelessness, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to *its* federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of North Carolina Coalition to End Homelessness, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about North Carolina Coalition to End Homelessness, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of North Carolina Coalition to End Homelessness, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, North Carolina Coalition to End Homelessness, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.



## Report on Internal Control Over Compliance

Management of North Carolina Coalition to End Homelessness, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered North Carolina Coalition to End Homelessness, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Petway Mills & Pearson, PA*

PETWAY MILLS & PEARSON, PA  
Certified Public Accountants  
Zebulon, North Carolina

August 25, 2022

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2021**

**SECTION I. -- SUMMARY OF AUDITORS' RESULTS**

Financial Statement

Type of auditors' report issued: Unmodified.

Internal control over financial reporting:

Material weakness(es) identified?                                    \_\_\_\_\_ yes                                     no

Significant deficiency (ies) identified  
that are not considered to be  
material weaknesses?    \_\_\_\_\_ yes                                     none reported

Noncompliance material to financial  
Statement noted    \_\_\_\_\_ yes                                     no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?                                    \_\_\_\_\_ yes                                     no

Significant deficiency(ies) identified?                                    \_\_\_\_\_ yes                                     none reported

Type of auditors' report issued on compliance  
for major federal programs: Unmodified.

Any audit findings disclosed that are required  
to be reported in accordance with OMB  
Uniform Guidance?    \_\_\_\_\_ yes                                     no

Identification of major federal programs:

<u>Program Name</u>	<u>Assistance Listing Number</u>
Continuum of Care	14.267

Dollar threshold used to distinguish between  
Type A and Type B Programs    \$ 750,000

Auditee qualified as low risk?     yes                                    \_\_\_\_\_ no

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

**SECTION II. -- FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III. -- FEDERAL AWARD FINDINGS**

None reported.

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2021**

**SECTION II. -- FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III. -- FEDERAL AWARD FINDINGS**

None reported.

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2021**

There were no findings for the year ended December 31, 2020.

**NORTH CAROLINA COALITION TO END HOMELESSNESS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2021**

Federal or Non-federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Grantor's Number	Expenditures
<b>Federal awards</b>			
U.S. Department of Housing and Urban Development			
Direct Programs			
Continuum of Care	14.267	NC0035L4F032013	\$ 459,947
Continuum of Care	14.267	NC0280L4F022008	104,858
Continuum of Care	14.267	NC0280L4F022008	20,759
Continuum of Care	14.267	NC0411L4F031800	442,092
Continuum of Care	14.267	NC0035L4F031811	420,623
Total Direct Programs			<u>1,448,279</u>
Passed through the North Carolina Department of Health and Human Services			
Emergency Solutions Grant	14.231	00041474	87,563
Total Passed through NC DHHS			<u>87,563</u>
Total U.S. Department of Housing and Urban Development			<u>1,535,842</u>
<b>Total federal awards</b>			<u>1,535,842</u>
<b>Non-federal awards</b>			
State of North Carolina			
Direct Programs			
N.C. Department of Health and Human Services		00044451	153,272
N.C. Department of Health and Human Services		00041294	100,770
N.C. Department of Health and Human Services		00039849	87,908
<b>Total non-federal awards</b>			<u>341,950</u>
<b>TOTAL FEDERAL AND NON-FEDERAL AWARDS</b>			<u><u>\$ 1,877,793</u></u>

**Notes to Schedule:**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and Non-Federal Awards includes the federal and State grant activity of North Carolina Coalition to End Homelessness under the programs of the federal government and the State of North Carolina for the year ended December 31, 2021. This information in this Schedule of Expenditures of Federal and Non-Federal Awards is presented in accordance with the requirements of *Uniform Guidance*. Because the Schedule presents only a selected portion of the operations of North Carolina Coalition to End Homelessness, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of North Carolina Coalition to End Homelessness, Inc.

**Indirect Costs**

North Carolina Coalition to End Homelessness, Inc. has not elected to charge a 10% de minimis indirect cost rate. Instead the Corporation negotiated an allocation plan approved by the Agency's oversight agency.

**Summary of Accounting Policies**

Expenditures reported in the Schedule of Expenditures of Federal and Non-Federal Awards are reported on the accrual basis of accounting.

**In Kind Contributions**

North Carolina Coalition to End Homelessness, Inc. received \$375,703 in-kind contributions related to the U.S. Department of Housing and Urban Development grants Assistance Listing Number 14.267.